



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 16, 2011

**S. 1231
Second Chance Reauthorization Act of 2011**

As reported by the Senate Committee on the Judiciary on July 21, 2011

SUMMARY

CBO estimates that S. 1231 would authorize the appropriation of \$680 million over the 2012-2016 period for Department of Justice (DOJ) grant programs and other activities to improve the treatment of inmates and to help offenders reenter communities after they have served their prison sentences. We estimate that the costs of those programs would be partially offset by reductions in spending that would result from reduced prison sentences under the bill.

Assuming appropriations are provided that are consistent with the authorizations and proposed changes in sentencing requirements, CBO estimates that implementing S. 1231 would cost \$242 million over the 2012-2016 period. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1231 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1231 is shown in the following table. The costs of this legislation fall within budget functions 750 (administration of justice) and 800 (general government).

	By Fiscal Year, in Millions of Dollars					2011- 2016
	2012	2013	2014	2015	2016	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Grant Programs						
Authorization Level	115	125	135	145	155	675
Estimated Outlays	28	64	92	115	138	437
Reduced Prison Operation Costs and Other Programs						
Estimated Authorization Level	-32	-38	-40	-41	-47	-198
Estimated Outlays	-30	-37	-40	-41	-47	-195
Total Changes						
Estimated Authorization Level	83	87	95	104	108	477
Estimated Outlays	-2	27	52	74	91	242

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1231 will be enacted late in 2011, that the necessary amounts will be appropriated near the start of each fiscal year, and that spending will follow historical patterns for similar activities.

Grant Programs

S. 1231 would authorize the appropriation of \$675 million over the 2012-2016 period mostly for DOJ to make grants to state and local governments, territories, Indian tribes, and nonprofit organizations for programs to improve the treatment of prisoners, including substance abuse services and educational activities; grants could also be available to increase assistance to offenders after they have served their prison sentences. CBO estimates that implementing those provisions would cost \$437 million over the 2012-2016 period.

Reduced Prison Operation Costs and Other Programs

S. 1231 would lead to reduced federal prison sentences for some offenders through enhanced credits for good behavior and for participating in reentry programs to reduce recidivism. CBO estimates that S. 1231 would allow prisoners to earn about seven additional days of sentence reduction for each year of good behavior by adjusting the calculation for good behavior credits. Under current law, such offenders earn 54 days of sentence reduction for each year of good behavior. Additionally, prisoners could receive up to 60 days credited toward their sentence for each year they successfully participate in

recidivism reduction programs, subject to certain restrictions. Based on information from the Bureau of Prisons and assuming future appropriations to operate federal prisons are reduced consistent with the estimated impact of the bill on prison sentences, CBO estimates that the bill would reduce the cost of prison operations by about \$30 million in 2012 and additional amounts in subsequent years as the prison population grows. In 2011, \$6.7 billion was appropriated to operate the federal prison system. CBO estimates that reducing appropriations for prison operations to reflect reduced offender sentences authorized by S. 1231 would reduce spending by about \$200 million over the 2012-2016 period.

In addition, S. 1231 would require the DOJ Inspector General to conduct audits on the use of funds by grant recipients and the Government Accountability Office to prepare a report concerning federal prisoner assistance programs. Based on the costs of similar activities, CBO estimates that it would cost about \$5 million over the 2012-2016 period to carry out those provisions.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1231 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. State, local, and tribal governments would benefit from grants authorized in the bill to provide services to certain criminal offenders while they are in prison and after they have completed their sentences. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

ESTIMATE PREPARED BY:

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